

Message Text

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ACTION FS-01

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FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 7795

INFO AMEMBASSY LAGOS

AMEMBASSY PARIS

C O N F I D E N T I A L COTONOU 1722

LAGOS FOR RBFO; PARIS FOR RFC

EO 11652: GDS

TAGS: AFIN, DM

SUBJ: DAHOMEAN GOVERNMENT BANK CREATES FURTHER DIFFICULTIES
RE CASHING RFC CHECKS

REF A. COTONOU 1669 B. RFC PARIS 29145

1. SINCE EXCHANGE OF REFS EMBASSY HAS EXPERIENCED FURTHER DIFFICULTIES CASHING RFC PARIS CHECKS AT SOCIETE DAHOMEENNE DE BANQUE (SDB), STATE OWNED, WHICH IS NOW THE ONLY BANK IN DAHOMEY. FOLLOWING DCM'S CONVERSATION WITH SDB DIR GEN BRUNO AMOUSSOU OCT 30, EMBASSY WAS ABLE TO CASH CHECKS WITHOUT DIFFICUTLY AND WITHOUT PAYING COMMISSION. ON NOV 12, THE BANK AGAIN REFUSED TO CASH CHECKS. THIS TIME IT USED THE IMPLAUSIBLE EXCUSE THAT THE BANK HAD A RULE AGAINST ACCEPTING PERFORATED CHECKS. DCM AGAIN COMMUNICATED WITH DIRGEN.

2. AMOUSSOU SAID HE WOULD ISSUE INSTRUCTIONS TO RESUME CASHING OF CHECKS PROVIDED WE PAID COMMISSION (THE AMOUT OF THE COMMISSION STILL HOWEVER UNSPECIFIED). WHEN HE WAS INFORMED THAT WE HAD IN MEANTIME TAKEN UP THE MATTER WITH BIAO IN PARIS AND LEARNED THAT BIAO DID NOT CHARGE A COMMISSION, HE MADE NO RESPONSE OTHER THAN TO AFFIRM THAT CHECKS WOULD BE CASHED ON THE BASIS THAT A COMMISSION WOULD BE PAID. NEVERTHE-
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LESS, THE BANK REFUSED THE FOLLOWING DAY TO CASH ANY CHECKS.

3. ONCE AGAIN DCM RAISED MATTER WITH DIRGEN, ASKING HIM WHAT IT WAS THAT THE BANK WANTED AND INDICATING THAT PAYMENT OF LOCAL PERSONNEL AND PAYMENT OF OUR BILLS HERE DEPEND-ED ON THE EMBASSY'S ABILITY TO OBTAIN CFA BY CASHING CHECKS AT HIS BANK. AMOUSSOU REPLIED THAT IT WAS INCONCEIVABLE THAT THE EMBASSY DID NOT HAVE AN ACCOUNT AT THE BANK. CHECKS COULD NOT BE CASHED WITHOUT ONE. HE PROPOSED THREE ALTERNATIVE SOLUTIONS; A) OPEN ACCOUNT B) PRESENT CHECKS TO SDB WHICH WOULD SEND THEM TO PARIS, AND WHEN PAYMENT RECEIVED FROM THERE, EMBASSY AND LOCAL EMPLOYEES WOULD RECEIVE THE CASH-THIS PROCESS WOULD TAKE THREE WEEKS C) THAT BIAO NOT ISSUE CHECKS, BUT INSTEAD CABLE TRANSFER ORDERS ("VIREMENTS") TO SDB WHICH, IN TURN, WOULD GIVE PAYEE CASH.

4. DCM INFORMED DIRGEN THAT EMBASSY WOULD REQUEST PERMISSION FROM USG TO OPEN ACCOUNT. THIS WOULD BE LONG PROCESS AND A NUMBER OF ADMINISTRATIVE DETAILS WOULD HAVE TO BE WORKED OUT INTERNALLY AND WITH THE BANK. DIRGEN STATED THAT NO MORE CHECKS WOULD BE CASHED UNTIL ACCOUNT OPENED. WHEN HE WAS TOLD THAT THE PROCESS OF ARRANGING AN ACCOUNT WOULD TAKE MIN-IMUM OF SEVERAL WEEKS, AND THAT THE EMBASSY WOULD HAVE TO BE CLOSED IF HIS BANK REFUSED TO CASH CHECKS IN THE INTERIM, HE RELENTED. FIRST HE PROPOSED A THREE-WEEK GRACE PERIOD. FINALL HE AGREED TO TWO MONTHS.

5. COMMENT: THE LAST TWO ALTERNATIVES AMOUSSOU PRESENTED ARE TOTALLY UNACCEPTABLE, SINCE THEY WOULD SUBJECT US TO THE APPALLING INEFFICIENCY OF THE SDB UNDER ITS NEW SOCIALIZED MANAGEMENT, AND POSSIBLY TO POLITICAL MISCHIEF AS WELL. WE CANNOT THINK OF A PRACTICABLE ALTERNATIVE TO ESTABLISHMENT OF AN ACCOUNT IN THIS CASE.

6. IN VIEW OF THE MANNER IN WHICH THIS EPISODE HAS UNFOLDED, AND THE HOSTILE ATTITUDE DISPLAYED THROUGHOUT BY THE DIRGEN, IT WOULD APPEAR THAT THERE IS SOMETHING MORE INVOLVED HERE THAN MERE INEFFICIENCY OR THE STRUGGLES OF A NEW STATE BANK TO "CHANGE THINGS" IN ACCORDANCE WITH GOVT'S MARXIST/LENINIST POLITICAL DIRECTIVES. USE OF PRETEXTS, INCLUDING A LIE ABOUT BIAO CHARGING A COMMISSION, FAILURE TO GIVE US ADVANCE
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NOTICE OF NEW REGULATONS, ACCOMMODATING US FOR A FEW DAYS AND THEN COMING UP WITH NEW PRETEXTS FOR NON COOPERATION, RATHER THAN INFORMING US IN THE FIRST PLACE THAT THE AIM WAS TO GET OUR ACCOUNT, ALL SUGGEST THAT HARASSMENT IS INTENDED. AMOUSSOU BY THE WAY WAS A 1974 LEADER GRANTEE, WHEN HE WAS STILL WORKING IN HIS REGULAR FIELD OF AGRICULTURE.

7. IT IS BY NO MEANS CERTAIN THAT, IF WE ESTABLISH AN

ACCOUNT, WE WILL HAVE SMOOTH SAILING. IT IS POSSIBLE THAT
OTHER PRETEXTS WILL BE INVENTED TO CAUSE US DIFFICULTIES.

8. FOR THE MOMENT WE ARE NOT TAKING UP THIS ISSUE WITH THE
FORNMINTRY. WE WILL DO SO HOWEVER IF AMOUSSOU CONTINUES TO PLAY
GAMES AND/OR IF IT SEEMS LIKELY THAT OUR ONLY SOURCE OF CFA
CURRENCY WILL BE CUT OFF. END COMMENT.

9. RECOMMENDED ACTION: THAT THE USG MAKE A DECISION TO ES-
TABLISH AN ACCOUNT WITH THE SDB IN COTONOU (WE ARE PRESENTING
APPLICATION SEPTEL PURSUANT TO 4 FAM 351.2-2.)
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